



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 22, 2006

Jan Churchill, Treasurer
Nevada State Democratic Party
409 Horn Street
Las Vegas, NV 89107

Response Due Date:
October 23, 2006

Identification Number: C00208991

Reference: July Monthly Report (6/1/06 – 6/30/06)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from an organization(s) which is not a political committee(s) registered with the Commission (see attached). It appears the receipt(s) was for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 CFR §100.52(d)(1)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution(s) received by your committee from an unregistered organization(s) and is prohibited subject to the limits set forth at 2 U.S.C. §§441a(f) and 441b or 11 CFR §102.5(b).

-Schedule A of your Amended 2006 May Monthly (4/1/06 – 4/30/06), received 7/9/06, Amended 2006 June Monthly (5/1/06 – 5/31/06), received 8/24/06, and 2006 July Monthly (6/1/06 – 6/30/06) Reports combined disclose transfers totaling \$13,753.67 from the Nevada Party Victory Fund, which is a joint fundraising committee affiliated with your committee. The sum of the entries itemized on the memo Schedule A, however, total only \$6,835.25.

Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(c)(8)(i)(B) Please clarify this discrepancy.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Payroll taxes" and "Salary". Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) for "Monthly phonebanking fees" which appears to be disclosed on the wrong line of the Detailed Summary Page. Please be advised that Voter Identification, Generic Campaign and Get-out-the-vote activity conducted in connection with an election in which one or more candidates for Federal office appear on the ballot is considered to be Federal Election Activity. 11


2006091915002

CFR §100.24 Please amend your report to properly disclose this activity on Line 30(b) or provide clarification regarding this activity.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1157.

Sincerely,



Laura E. Sinram
Campaign Finance Analyst
Reports Analysis Division

Receipt from an Unregistered Organization

Contributor Name	Date	Amount
Berkley For Congress	6/21/06	\$200
Clark County Democratic Party	6/21/06	\$1,500
Nevadans For Nevada	6/21/06	\$10,000
Nevada Democratic Legislative Caucus	6/15/06	\$269.35

26306183092

٢٨
 ٢٩
 ٣٠
 ٣١
 ٣٢
 ٣٣
 ٣٤
 ٣٥
 ٣٦
 ٣٧
 ٣٨